

Allane SE

Group Quarterly Statement as of 30 September 2022

1. Business report

1.1 Group business performance

As of 30 September 2022 the Group's contract portfolio inside and outside Germany (excluding franchise and cooperation partners) totalled 118,200 contracts, 8.2% below the figure as of 31 December 2021 (128,800 contracts).

Consolidated revenue decreased by 2.0% during the first nine months of 2022 to EUR 554.6 million (9M 2021: EUR 565.8 million) compared to the same period of the previous year. Operating revenue, which does not include the proceeds from vehicle sales, increased by 0.1% to EUR 291.7 million (9M 2021: EUR 291.5 million). The only slight increase in operating revenue is mainly due to the supply bottlenecks for new cars and the resulting decline in contracts. In addition, the overall economic situation continues to be negatively influenced by the ongoing Russia-Ukraine war. Sales revenues from leasing returns and marketed customer vehicles in Fleet Management decreased by 4.2% to EUR 263.0 million (9M 2021: EUR 274.4 million). This development mainly results from a decline in sales volume despite continuing high demand and rising unit prices for used cars. The decline in sales volume results from a lower contract portfolio as well as a higher number of contract prolongations.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) decreased in the first three quarters 2022 by 2.1% to EUR 139.4 million (9M 2021: EUR 142.3 million) compared to the same period in the previous year. Earnings before taxes (EBT), however, increased by 137.3% to EUR 11.0 million (9M 2021: EUR 4.6 million). The operating return on revenue (EBT/operating revenue) consequently came to 3.8% (9M 2021: 1.6%).

The increased EBT in the first three quarters is mainly due to the high price level on the used car market and the resulting still high margin of Allane SE on the sale of lease returns, lower depreciation on leased assets and an improvement in the financial result.

Allane Mobility Group	9M	9M	Change
in EUR million	2022	2021	in %
Consolidated revenue	554.6	565.8	-2.0
<i>Thereof operating revenue</i>	291.7	291.5	0.1
<i>Thereof sales revenue</i>	263.0	274.4	-4.2
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	139.4	142.3	-2.1
Earnings before taxes (EBT)	11.0	4.6	137.3
Operating return on revenue (%)	3.8	1.6	2.2 points

1.2 Leasing business unit

In the Leasing business unit, which consists of the business fields Retail Leasing (Online Retail and Captive Leasing) and Fleet Leasing, the contract portfolio totalled 67,900 contracts as of the end of the third quarter of 2022, a decrease of 2.7% compared to the figure recorded at the end of 2021 (31 December 2021: 69,800 contracts). The Retail Leasing (Online Retail and Captive Leasing) contract portfolio decreased by 4.9% to 34,700 contracts (31 December 2021: 36,500 contracts). The contract portfolio in the Fleet Leasing business field saw a decline of

0.3% to 33,200 contracts compared to the previous year's figure (31 December 2021: 33,300 contracts). The decline is due to a higher number of contract expiries compared to the number of new contracts won.

Key figures Leasing business unit	9M	9M	Change
in EUR million	2022	2021	in %
Total revenue	456.5	479.3	-4.8
<i>Thereof leasing revenue (finance rate)</i>	141.6	152.0	-6.8
<i>Thereof other revenue from leasing business</i>	103.9	99.4	4.5
<i>Thereof sales revenue</i>	211.0	227.9	-7.4
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	138.6	141.5	-2.0
Earnings before taxes (EBT)	10.4	4.0	159.0
Operating return on revenue (%)	4.2	1.6	2.6 points

The increase in earnings before taxes (EBT) in the leasing business unit is mainly due to the high price level on the used car market and the resulting still high margin of Allane SE on the sale of lease returns, lower depreciation on leasing assets and an improvement in the financial result.

1.3 Fleet Management business unit

In the Fleet Management business unit, the contract portfolio decreased by 14.7% to 50,300 contracts in the first nine months of the current financial year (31 December 2021: 59,000 contracts).

Key figures	9M	9M	Change
Fleet Management business unit	2022	2021	in %
in EUR million			
Total revenue	98.1	86.5	13.4
<i>Thereof fleet management revenue</i>	46.2	40.1	15.3
<i>Thereof sales revenue</i>	51.9	46.5	11.8
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	0.7	0.8	-8.0
Earnings before taxes (EBT)	0.6	0.6	0.3
Operating return on revenue (%)	1.4	1.6	-0.2 points

1.4 Financial position

Equity

As of 30 September 2022 Allane Mobility Group's equity totalled EUR 234.8 million, representing an increase of EUR 14.6 million or 6.6% compared to the previous year (31 December 2021: EUR 220.2 million). The equity ratio increased by 1.5 percentage points to 19.9% (31 December 2021: 18.4%), which resulted from the decrease in total assets and the profit of the period. The decrease of the balance sheet total primarily results from the lower level of lease assets.

Liabilities

As of 30 September 2022, the Allane Mobility Group reported non-current liabilities and provisions of EUR 538.6 million (31 December 2021: EUR 360.0 million, +49.6%). The increase of EUR 178.6 million was mainly due to non-current financial liabilities rising by EUR 174.5 million to EUR 489.2 million (31 December 2021: EUR 314.7 million, +55.5%). This results primarily from long-term loans taken out by Santander Consumer Bank AG to replace the early repayment of the bond issued in the 2018 financial year.

Current liabilities and provisions as of 30 September 2022 totalled EUR 408.8 million (31 December 2021: EUR 614.6 million). The decrease of EUR 205.9 million, or 33.5% is essentially the result of lower current financial liabilities declining by EUR 187.4 million to EUR 302.7 million (31 December 2021: EUR 490.1 million). The decrease

in current liabilities is mainly due to the early repayment of the bond issued in the 2018 financial year described above, which was carried out on 2 February 2022. In addition, accounts payable decreased by EUR 14.6 million or 22.2% to EUR 51.1 million (31 December 2021: EUR 65.7 million). Other liabilities decreased by EUR 4.5 million or 13.0% to EUR 29.8 million (31 December 2021: EUR 34.3 million).

1.5 Investments

In the first nine months of 2022, the Allane Mobility Group added vehicles with a total value of EUR 254.5 million (9M 2021: EUR 245.1 million) to the leasing fleet. Due to the continuing supply bottlenecks for new cars and the resulting decline in contracts, an increase of only 3.9% was achieved. In addition, the overall economic situation continues to be negatively influenced by the ongoing Russia-Ukraine war.

2. Events subsequent to the reporting date

On 2 November 2022, the Managing Board of Allane SE came to the conclusion that the expectation for the financial year 2022, last communicated 24 August 2022, of a Group-EBT in the higher single-digit million euro range will probably be exceeded (refer to 4. Report on outlook).

Beyond that, no significant events, that would affect the financial position and results of operations of the Group and the Company, have occurred after the end of the third quarter of the 2022 financial year.

3. Specific events

With regard to the COVID-19 pandemic and the Russia-Ukraine war, Allane SE refers to the risk and fore-cast report in the management report of the Annual Report 2021, published on 29 April 2022. It should be noted, however, that at present it is hard to give reliable estimates for the future regarding the actual long-term economic consequences of the COVID-19 pandemic as well as the Russia-Ukraine war, and that consequently the estimates and discretionary decisions are still subject to greater uncertainty.

4. Report on outlook

The Managing Board confirms the forecast adjusted on 2 November 2022. Accordingly, the Managing Board still expects to have a Group contract portfolio in a range of 110,000 to 130,000 contracts (2021: 128,800 contracts) and a consolidated operating revenue of between EUR 350.0 million and EUR 400.0 million (2021: EUR 386.0 million) in the current 2022 financial year. Based on the business development in the first nine months of 2022, the Managing Board of Allane SE now expects that the company will achieve a Group-EBT of between EUR 11.0 million and EUR 15.0 million in the current financial year 2022 (2021: EUR 6.1 million). The main reasons for the raise of the EBT forecast are the high demand and the corresponding high price level on the used vehicle market, and the resulting still high margin of Allane SE on the sale of lease returns.

5. Financial figures for Allane Mobility-Group as of 30 September 2022

5.1 Group income statement and statement of comprehensive income

Consolidated Income Statement in EUR thou.	9M	9M	Q3	Q3
	2022	2021	2022	2021
Revenue	554,639	565,814	183,424	198,559
Other operating income	4,681	6,612	1,996	1,629
Fleet expenses and cost of lease assets	349,375	366,773	115,149	132,199
Personnel expenses	40,286	36,659	13,014	11,931
Net losses arising from the derecognition of financial assets ¹	2,123	2,737	645	814
Net impairment losses (-)/gain (+) from financial assets ²	947	560	-457	55
Other operating expenses	29,109	24,526	9,662	8,755
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	139,373	142,291	46,492	46,545
Depreciation and amortisation expense	125,890	132,471	41,479	42,857
Earnings before interest and taxes (EBIT)	13,484	9,820	5,013	3,687
Net finance costs	-2,495	-5,189	-914	-1,687
Earnings before taxes (EBT)	10,989	4,631	4,099	2,000
Income tax expense	3,086	1,216	945	456
Consolidated profit	7,903	3,415	3,154	1,544
<i>Of which attributable to shareholders of Allane SE</i>	<i>7,903</i>	<i>3,415</i>	<i>3,154</i>	<i>1,544</i>
Earnings per share – basic and diluted (in Euro)	0.38	0.17	0.15	0.07

Consolidated statement of comprehensive income in EUR thou.	9M	9M
	2022	2021
Consolidated profit	7,903	3,415
Other comprehensive income (not recognised in the income statement)	7,909	755
<i>Thereof components that could be reclassified to income statement in the future</i>		
<i>Currency translation gains/losses</i>	<i>1,128</i>	<i>-33</i>
<i>Change in derivative financial instruments designated as hedge accounting</i>	<i>8,693</i>	<i>1,018</i>
<i>Related deferred taxes</i>	<i>-1,912</i>	<i>-230</i>
Total comprehensive income	15,812	4,169
<i>Of which attributable to minority interests</i>	<i>6,780</i>	<i>788</i>
<i>Of which attributable to shareholders of Allane SE</i>	<i>9,032</i>	<i>3,382</i>

¹ This item was included in the income statement for the first time in the first quarter of 2022. The previous period figure of EUR 537 thousand (income from derecognized receivables) was reported in the prior-year quarterly report under other operating income. The prior-year figure of EUR -3,274 thousand (expenses from derecognized receivables) was reported in the prior-year first quarter as of 30 September 2021 under other operating expenses.

² This item was included in the income statement for the first time in the first quarter of 2022. The previous year's value of EUR 560 thousand (impairment gain) was reported in the previous quarter's financial statements as of 30 September 2021 under other operating expenses.

5.2 Group balance sheet

Assets

In EUR thou.	30.09.2022	31.12.2021
Non-current assets		
Goodwill	4,314	4,300
Intangible assets	19,906	24,168
Property and equipment	25,520	25,148
Lease assets	967,972	995,378
Financial assets	26	26
Other receivables and assets	11,012	1,777
Deferred tax assets	822	814
Total non-current assets	1,029,572	1,051,612
Current assets		
Inventories	35,174	38,488
Trade receivables	85,045	75,222
Receivables from related parties	609	490
Other receivables and assets	27,095	26,679
Income tax receivables	454	673
Bank balances	4,213	1,655
Total current assets	152,591	143,206
Total assets	1,182,162	1,194,818

Equity and liabilities

In EUR thou.	30.09.2022	31.12.2021
Equity		
Subscribed capital	20,612	20,612
Capital reserves	135,045	135,045
Other reserves	71,590	63,795
Minority interests	7,521	740
Total equity	234,767	220,192
Non-current liabilities and provisions		
Provisions for pensions	256	237
Other provisions	226	226
Financial liabilities	489,151	314,651
Other liabilities	12,329	10,525
Deferred tax liabilities	36,646	34,343
Total non-current liabilities and provisions	538,609	359,982
Current liabilities and provisions		
Other provisions	7,239	6,349
Income tax liabilities	1,263	2,303
Financial liabilities	302,709	490,109
Trade payables	51,104	65,675
Liabilities to related parties	16	23
Contract Liabilities	16,647	15,923
Other liabilities	29,809	34,262
Total current liabilities and provisions	408,787	614,645
Total equity and liabilities	1,182,162	1,194,818

5.3 Group cash flow statement

Consolidated cash flow statement	9M	9M
in EUR thou.	2022	2021
Operating activities		
Consolidated profit	7,903	3,415
Income taxes recognised in income statement	2,700	1,140
Income taxes paid / received (net)	-3,522	-1,138
Financial result recognised in income statement ¹	2,494	5,188
Interest received	445	160
Interest paid	-4,506	-5,662
Depreciation and amortisation	125,890	132,471
Income from disposal of fixed assets	-33,838	-13,018
Other (non-)cash expenses and income	-4,747	-18,311
Gross Cash flow	92,819	104,245
Proceeds from disposal of lease assets	205,965	227,879
<i>thereof leasing assets</i>	204,762	227,518
<i>thereof fixed assets</i>	1,203	361
Payments for investments in lease assets	-254,544	-245,057
Change in inventories	3,313	17,511
Change in trade receivables	-9,823	-1,033
Change in trade payables	-14,571	3,360
Change in other net assets	-1,959	11,046
Net cash flows from/used in operating activities	21,201	117,951
Investing activities		
Payments for investments in intangible assets and equipment	-5,234	-8,250
Net cash flows used in investing activities	-5,234	-8,250
Financing activities		
Dividends paid	-1,237	-412
Proceeds from bank loans (incl. ABS-transaction) ²	360,000	10,360
Payments made for redemption of bank loans (incl. ABS-transaction) ³	-430,436	-79,992
Payments made for / proceeds from short-term financial liabilities ^{4, 5, 6}	60,200	-25,000
Net cash flows used in/from financing activities	-11,473	-95,044
Net change in cash and cash equivalents	4,494	14,657
Effect of exchange rate changes on cash and cash equivalents	136	1
Cash and cash equivalents at 1 Jan. ⁷	-417	-70
Cash and cash equivalents at 30 Sep.	4,213	14,586

¹ Excluding income from investments

² Proceeds from bank loans (incl. ABS transaction) include proceeds from financing of affiliated companies in the amount of EUR 30,000 thousand (2021: EUR 10,000 thousand).

³ Payments for redemption of bond, promissory note loan and bank loan (incl. ABS transaction) include payments for redemption of financing of affiliated companies in the amount of EUR 50,000 thousand (2021: EUR 20,000 thousand).

⁴ Includes payments for redemption of financing for affiliated companies in the amount of EUR 60,000 thousand (2021: EUR 0 thousand).

⁵ Short-term borrowings with a maturity period of up to three months and quick turnover.

⁶ This item was included in the cash flow statement for the first time in the third quarter of 2022. The previous year's figures were reported in the quarterly statement as of 30 September 2021 in the amount of TEUR 7,000 under proceeds from bank loans (incl. ABS transaction) and in the amount of TEUR 32,000 under payments for redemption of bank loans (incl. ABS transaction).

⁷ Cash and cash equivalents as of 1 January 2022 consist of bank balances (EUR 1,655 thousand) and bank overdrafts (EUR -2,072 thousand). Cash and cash equivalents as of 1 January 2021 consist of bank balances (EUR 2,374 thousand) and bank overdrafts (EUR -2,444 thousand).

5.4 Additional financial information

Revenue

Revenue is broken down as follows:

Revenue in EUR thou.	9M 2022	9M 2021	Change in %	Q3 2022	Q3 2021	Change in %
Leasing Business Unit						
Thereof leasing revenue (finance rate)	141,610	151,990	-6.8	46,850	49,433	-5.2
Thereof other revenue from leasing business	103,872	99,402	4.5	35,574	34,140	4.2
Thereof sales revenue	211,021	227,879	-7.4	70,541	82,030	-14.0
Total	456,503	479,271	-4.8	152,965	165,602	-7.6
Fleet Management Business Unit						
Thereof fleet management revenue	46,200	40,071	15.3	15,908	13,703	16.1
Thereof sales revenue	51,936	46,472	11.8	14,551	19,254	-24.4
Total	98,136	86,543	13.4	30,459	32,957	-7.6
Group total	554,639	565,814	-2.0	183,424	198,559	-7.6

Fleet expenses and cost of lease assets

Fleet expenses and cost of lease assets are broken down as follows:

Fleet expenses and cost of lease assets in EUR thou.	9M 2022	9M 2021	Change in %
Selling expenses ¹	229,240	260,950	-12.2
Fuel	40,750	30,781	32.4
Repair, maintenance and reconditioning	53,070	45,844	15.8
Insurance	5,993	6,983	-14.2
External rent expenses	3,744	3,871	-3.3
Vehicle licenses and deregistration	4,252	3,337	27.4
Transportation	2,146	3,242	-33.8
Taxes and dues	2,176	2,393	-9.1
Radio license fees	1,128	1,124	0.3
Vehicle return expenses	2,135	2,544	-16.1
Other expenses	4,741	5,705	-16.9
Group total	349,375	366,773	-4.7

¹ Includes expenses from write-downs on lease assets intended for sale

Depreciation and amortisation

Depreciation and amortisation are as follows:

Depreciation and amortisation	9M	9M	Change
in EUR thou.	2022	2021	in %
Lease assets	115,445	126,314	-8.6
Property and equipment	2,920	2,905	0.5
Intangible assets	7,526	3,252	>100
Group total	125,890	132,471	-5.0

Other operating expenses

Other operating expenses are broken down as follows:

Other operating expenses	9M	9M	Change
in EUR thou.	2022	2021	in %
Expenses for buildings	1,060	1,395	-24.0
Other selling and marketing expenses	2,543	3,750	-32.2
Audit, legal, advisory costs, and investor relations expenses	7,458	6,717	11.0
Other personnel services	1,978	2,444	-19.1
IT expenses	9,343	6,802	37.4
Expenses for foreign currency translation	1,225	1,037	18.1
Miscellaneous expenses	5,502	2,382	>100
Group total	29,109	24,526	18.7

Net finance costs

The net finance costs are as follows:

Net finance costs	9M	9M	Change
in EUR thou.	2022	2021	in %
Other interest and similar income	202	188	7.2
Other interest and similar income from related parties	8	43	-81.5
Interest and similar expenses	-2,826	-5,519	-48.8
Other net financial income/loss	121	99	22.1
Group total	-2,495	-5,189	-51.9

Group segment reporting

The segment information for the first nine months of 2022 (compared to the first nine months of 2021) is as follows:

By Business Unit in EUR million	Leasing		Fleet Management		Reconciliation		Group	
	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021	9M 2022	9M 2021
External revenue	456.5	479.3	98.1	86.5	-	-	554.6	565.8
Internal revenue	0.1	0.1	-	0.0	-0.1	-0.1	-	-
Total revenue	456.6	479.4	98.1	86.6	-0.1	-0.1	554.6	565.8
Fleet expenses and cost of lease assets	258.9	289.4	90.6	77.4	-0.1	-0.1	349.4	366.8
EBITDA¹	138.6	141.5	0.7	0.8	-	-	139.4	142.3
Depreciation and amortisation	125.8	132.4	0.0	0.0	-	-	125.9	132.5
EBIT²	12.8	9.1	0.7	0.7	-	-	13.5	9.8
Net finance costs	-2.4	-5.1	-0.0	-0.1	0.0	-	-2.5	-5.2
EBT³	10.4	4.0	0.6	0.6	-	-	11.0	4.6

¹ Corresponds to earnings before interest, taxes, depreciation and amortisation (EBITDA)

² Corresponds to earnings before interest and taxes (EBIT)

³ Corresponds to earnings before taxes (EBT)

Due to rounding it is possible that individual figures in this Group Quarterly Statement may not add up exactly to the totals shown and that the nine-month figures may not exactly result from adding up the individual quarterly figures. For the same reason, the percentage figures presented may not exactly reflect the absolute figures they relate to.

Pullach, 9 November 2022

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Managing Board

Contract

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